



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0497/1

TKK:cjs:rs

ASSEMBLY AMENDMENT ,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 40

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 139, line 8: decrease the dollar amount for fiscal year 2014-15 by
3 \$16,830,000 to decrease funding for the purposes for which the appropriation is
4 made.

5 **2.** Page 139, line 11: after that line insert:

6 “(bf) Hold harmless aid GPR S -0- -0-”.

7 **3.** Page 323, line 7: after that line insert:

8 “**SECTION 236m.** 20.255 (2) (ac) of the statutes is amended to read:

9 20.255 (2) (ac) *General equalization aids.* ~~The amounts in the schedule A sum~~
10 sufficient for the payment of educational aids under ss. 121.08, 121.09, 121.095,
11 121.105, ~~121.137~~ and subch. VI of ch. 121 equal to the amount determined by the joint
12 committee on finance under s. 121.15 (3m) (c) in the 2015-16 fiscal year and

1 biennially thereafter, and equal to the amount determined by law in the 2015–16
2 fiscal year and biennially thereafter.”.

3 **4.** Page 323, line 10: after that line insert:

4 “**SECTION 237r.** 20.255 (2) (bf) of the statutes is created to read:

5 20.255 (2) (bf) *Hold harmless aid.* A sum sufficient for hold harmless aid to
6 school districts under s. 121.10.”.

7 **5.** Page 869, line 17: delete lines 17 to 21 and substitute:

8 “**SECTION 1514ag.** 79.10 (4) of the statutes is amended to read:

9 79.10 (4) SCHOOL LEVY TAX CREDIT. Except as provided in sub. (5m), the amounts
10 amount appropriated under s. 20.835 (3) (b) and ~~(qb)~~ shall be distributed to
11 municipalities in proportion to their share of the sum of average school tax levies for
12 all municipalities. No municipality shall receive a payment under this subsection
13 after 2014.

14 **SECTION 1514ar.** 79.10 (5m) of the statutes is amended to read:

15 79.10 (5m) FIRST DOLLAR CREDIT. Each municipality shall receive, from the
16 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the
17 school tax rate by the estimated fair market value, not exceeding the value
18 determined under sub. (11) (d), of every parcel of real property with improvements
19 that is located in the municipality. No municipality shall receive a payment under
20 this subsection after 2014.”.

21 **6.** Page 871, line 7: delete lines 7 to 12 and substitute:

22 “**SECTION 1514m.** 79.14 of the statutes is amended to read:

23 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b), for
24 the payments under s. 79.10 (4), is \$319,305,000 in 1994, 1995, and 1996;

1 \$469,305,000 beginning in 1997 and ending in 2006; \$593,050,000 in 2007;
2 \$672,400,000 in 2008; \$747,400,000 in 2009; and \$732,550,000 in 2010 ~~and in each~~
3 ~~year thereafter, 2011, 2012, 2013, and 2014.~~

4 **SECTION 1514r.** 79.15 of the statutes is amended to read:

5 **79.15 Improvements credit.** The total amount paid each year to
6 municipalities from the appropriation account under s. 20.835 (3) (b) for the
7 payments under s. 79.10 (5m) is \$75,000,000 in 2009, \$145,000,000 in 2010, and
8 \$150,000,000 in 2011, 2012, 2013 and in each year thereafter 2014.”.

9 **7.** Page 1018, line 18: after that line insert:

10 **“SECTION 1877p.** 121.004 (7) (a) of the statutes is amended to read:

11 121.004 (7) (a) “Pupils enrolled” is the total number of pupils, as expressed by
12 official enrollments, in all schools of the school district, except as provided in pars.
13 (b) to ~~(f)~~ (g). If such total contains a fraction, it shall be expressed as the nearest whole
14 number. The same method shall be used in computing the number of pupils enrolled
15 for resident pupils, nonresident pupils or both.”.

16 **8.** Page 1019, line 2: after that line insert:

17 **“SECTION 1878b.** 121.004 (7) (g) of the statutes is created to read:

18 121.004 (7) (g) A pupil who is eligible for a free or reduced-price lunch under
19 42 USC 1758 (b) shall be counted as the number specified in this subsection for the
20 pupil plus an additional 30 percent of that number.”.

21 **9.** Page 1019, line 18: after that line insert:

22 **“SECTION 1882m.** 121.07 (6) (d) of the statutes is amended to read:

23 121.07 (6) (d) The “secondary ceiling cost per member” in the ~~2001–02~~ 2014–15
24 school year and in each school year thereafter is an amount determined by dividing

1 the state total shared cost in the previous school year by the state total membership
2 in the previous school year ~~and multiplying the result by 0.90.~~”.

3 **10.** Page 1020, line 14: delete the material beginning with that line and
4 ending on page 1021, line 9 and substitute:

5 **“SECTION 1885f.** 121.08 (4) (b) of the statutes is repealed and recreated to read:

6 121.08 (4) (b) The amount of state aid that the school district operating under
7 ch. 119 is eligible to be paid from the appropriation under s. 20.255 (2) (ac) shall also
8 be reduced by the amount determined by multiplying the sum of the amounts paid
9 under s. 119.23 (4) and (4m) in the current school year by 30 percent.

10 **SECTION 1886gm.** 121.08 (4) (br) of the statutes is amended to read:

11 121.08 (4) (br) The amount of state aid that an eligible school district is eligible
12 to be paid from the appropriation under s. 20.255 (2) (ac) shall also be reduced by the
13 amount calculated by multiplying the amounts paid under s. 118.60 (4) and (4m) in
14 the first school year that begins after a school district is identified as an eligible
15 school district under s. 118.60 (1m) or 2011 Wisconsin Act 32, section 9137 (3u), and
16 in each school year thereafter by ~~38.4~~ 30 percent.

17 **SECTION 1887m.** 121.10 of the statutes is created to read:

18 **121.10 Hold harmless aid.** (1) In this section, “state aid” means the sum of
19 the following:

20 (a) The payments made to a school district under ss. 121.08 and 121.105 and
21 subch. VI.

22 (b) The payments that would be made to a school district under s. 121.136 if s.
23 121.136 were still applicable.

1 (c) The amount that would be received by a school district under s. 79.10 (4) and
2 (5m) if s. 79.10 (4) and (5m) was still applicable.

3 (2) (a) Except as provided in par. (b), beginning in the 2014–15 school year, if
4 a school district would receive less in equalization aid under s. 121.08 in the current
5 school year before any adjustment is made under s. 121.15 (4) (b) than it would have
6 received in state aid in the current school year, the department shall pay to the school
7 district the amount equal to the difference.

8 (b) If a school district from which territory was detached to create a new school
9 district under s. 117.105 would receive in equalization aid under s. 121.08 in the
10 school year beginning on the first July 1 following the effective date of the
11 reorganization less than the amount determined as follows, the department shall
12 pay to the school district the difference between the former amount and the amount
13 determined as follows:

14 1. Divide the school district's membership in the preceding school year by the
15 school district's membership in the 2nd preceding school year.

16 2. Multiply the amount of state aid that would have been received by the school
17 district in the preceding school year, as adjusted under s. 121.15 (4) (b) in the current
18 school year, by the quotient under subd. 1.

19 (3) In the school year in which a school district consolidation takes effect under
20 s. 117.08 or 117.09 and in each of the subsequent 4 school years, if the consolidated
21 school district's equalization aid is less than the aggregate state aid to which the
22 consolidating school districts would have been eligible in the school year prior to the
23 school year in which the consolidation takes effect, the department shall pay the
24 difference to the consolidated school district.

1 (4) Additional aid under this section shall be paid from the appropriation under
2 s. 20.255 (2) (bf).

3 **SECTION 1887mc.** 121.105 (2) (am) 1. of the statutes is amended to read:

4 121.105 (2) (am) 1. Except as provided in subd. 2., if a school district would
5 receive less in state aid in the current school year before any adjustment is made
6 under s. 121.15 (4) (b) than an amount equal to ~~85%~~ 90 percent of the amount of state
7 aid that it received in the previous school year, as adjusted under s. 121.15 (4) (b) in
8 the current school year, its state aid for the current school year shall be increased to
9 an amount equal to ~~85%~~ 90 percent of the state aid received in the previous school
10 year.

11 **SECTION 1887me.** 121.105 (2) (am) 2. (intro.) of the statutes is amended to read:

12 121.105 (2) (am) 2. (intro.) If a school district from which territory was detached
13 to create a new school district under s. 117.105 would receive in state aid in the school
14 year beginning on the first July 1 following the effective date of the reorganization
15 less than ~~85~~ 90 percent of the amount determined as follows, its state aid in the school
16 year beginning on the first July 1 following the effective date of the reorganization
17 shall be increased to an amount equal to ~~85~~ 90 percent of the amount determined as
18 follows.”.

19 **11.** Page 1021, line 24: after that line insert:

20 **“SECTION 1888c.** 121.105 (4) of the statutes is created to read:

21 121.105 (4) A school district’s state aid in any school year may not be less than
22 an amount equal to \$3,000 multiplied by the school district’s membership.

23 **SECTION 1888g.** 121.136 (3) of the statutes is created to read:

24 121.136 (3) No aid may be paid under this section after June 30, 2013.

1 **SECTION 1888n.** 121.137 (2) of the statutes is amended to read:

2 121.137 (2) Annually, the department shall calculate the amount of the state
3 aid reduction under s. 121.08 (4) (b) 2. in the current school year and shall notify the
4 board, in writing, of the result.

5 **SECTION 1888r.** 121.15 (1m) (a) (intro.) and 3. of the statutes are consolidated,
6 renumbered 121.15 (1m) (a) and amended to read:

7 121.15 (1m) (a) Notwithstanding subs. (1) and (1g), ~~a portion of state aid to~~
8 ~~school districts shall be distributed as follows: Beginning beginning~~ in the
9 ~~1999–2000~~ 2014–15 school year, annually the state shall pay to school districts, from
10 the appropriation under s. 20.255 (2) (ac), \$75,000,000 \$972,400,000 on the 4th
11 Monday in July of the following school year.

12 **SECTION 1888w.** 121.15 (3m) of the statutes is created to read:

13 121.15 (3m) (a) In this subsection:

14 1. “Partial school revenues” means the sum of state school aids, property taxes
15 levied for school districts, and aid paid to school districts under s. 79.095 (4), less all
16 of the following:

17 a. The amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a
18 school board’s increasing the services that it provides by adding responsibility for
19 providing a service transferred to it from another school board.

20 b. The amount of any revenue limit increase under s. 121.91 (4) (a) 3.

21 c. The amount of any revenue limit increase under s. 121.91 (4) (h).

22 d. The amount of any property taxes levied for the purpose of s. 120.13 (19).

23 e. An amount equal to 30 percent of the amount estimated to be paid under ss.
24 118.60 (4) and (4m) and 119.23 (4) and (4m).

1 f. The amount by which the property tax levy for debt service on debt that has
2 been approved by a referendum exceeds \$490,000,000.

3 2. "State school aids" means those aids appropriated under s. 20.255 (1) (b) and
4 (2), other than s. 20.255 (2) (fm), (fr), (fu), (fv), (k), and (m), and under s. 20.285 (1)
5 (r), and (rc), and those aids appropriated under s. 20.505 (4) (es) and (s) that are used
6 to provide grants or educational telecommunications access to school districts under
7 s. 16.995 or 16.997 (7).

8 (b) By May 15, 2014, and annually by May 15 thereafter, the department, the
9 department of administration, and the legislative fiscal bureau shall jointly certify
10 to the joint committee on finance an estimate of the amount necessary to appropriate
11 under s. 20.255 (2) (ac) in the following school year to ensure that state school aids
12 equal the following portion of partial school revenues:

13 1. For the 2014–15 school year, 63 percent.

14 2. For the 2015–16 school year, 64.2 percent.

15 3. For the 2016–17 school year, 65.4 percent.

16 4. For the 2017–18 school year and each school year thereafter, two-thirds.

17 (c) By June 30, 2014, and biennially by June 30 thereafter, the joint committee
18 on finance shall determine the amount appropriated under s. 20.255 (2) (ac) in the
19 following school year."

20 **12.** Page 1024, line 3: delete lines 3 to 8 and substitute:

21 "SECTION 1893d. 121.90 (2) (am) 1. of the statutes is amended to read:

22 121.90 (2) (am) 1. Aid under ss. 121.08, 121.09, 121.10, 121.105, and 121.136
23 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
24 (4) and including adjustments made under s. 121.15 (4).

1 **SECTION 1893h.** 121.905 (1) of the statutes is amended to read:

2 121.905 (1) In this section, “revenue ceiling” means \$9,000 ~~in the 2011–12~~
3 ~~school year and in the 2012–13 school year and \$9,100, \$9,300 in the 2013–14 school~~
4 ~~year, and \$9,600 in any subsequent school year.~~

5 **SECTION 1893s.** 121.905 (3) (c) 5. of the statutes is amended to read:

6 121.905 (3) (c) 5. For the limit for the 2013–14 school year and ~~any the 2014–15~~
7 ~~school year thereafter, make no adjustment, add \$275 to the result under par. (b).~~

8 **SECTION 1893t.** 121.905 (3) (c) 6. of the statutes is created to read:

9 121.905 (3) (c) 6. For the limit for the 2015–16 school year and any school year
10 thereafter, add the result under s. 121.91 (2m) (k) 2. to the result under par. (b).”.

11 **13.** Page 1024, line 20: delete lines 20 to 23 and substitute:

12 “**SECTION 1895shc.** 121.91 (2m) (i) (intro.) of the statutes is amended to read:

13 121.91 (2m) (i) (intro.) Except as provided in subs. (3), (4), and (8), no school
14 district may increase its revenues for the 2013–14 school year ~~or for any school year~~
15 ~~thereafter~~ to an amount that exceeds the amount calculated as follows:

16 **SECTION 1895shg.** 121.91 (2m) (i) 1m. of the statutes is created to read:

17 121.91 (2m) (i) 1m. Add \$275 to the result under subd. 1.

18 **SECTION 1895shn.** 121.91 (2m) (i) 2. of the statutes is amended to read:

19 121.91 (2m) (i) 2. Multiply the result under subd. 1. ~~1.~~ 1m. by the average of the
20 number of pupils enrolled in the current and the 2 preceding school years.

21 **SECTION 1895shr.** 121.91 (2m) (j) of the statutes is created to read:

22 121.91 (2m) (j) Except as provided in subs. (3), (4), and (8), no school district
23 may increase its revenues for the 2014–15 school year to an amount that exceeds the
24 amount calculated as follows:

1 1. Divide the sum of the amount of state aid received in the previous school year
2 and property taxes levied for the previous school year, excluding property taxes
3 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
4 (c), by the average of the number of pupils enrolled in the 3 previous school years.

5 2. Add \$275 to the result under subd. 1.

6 3. Multiply the result under subd. 2. by the average of the number of pupils
7 enrolled in the current and the 2 preceding school years.

8 **SECTION 1895shw.** 121.91 (2m) (k) of the statutes is created to read:

9 121.91 (2m) (k) Except as provided in subs. (3), (4), and (8), no school district
10 may increase its revenues for the 2015–16 school year or for any school years
11 thereafter to an amount that exceeds the amount calculated as follows:

12 1. Divide the sum of the amount of state aid received in the previous school year
13 and property taxes levied for the previous school year, excluding property taxes
14 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
15 (c), by the average of the number of pupils enrolled in the 3 previous school years.

16 2. Multiply the amount of the revenue increase per pupil allowed under this
17 subsection for the previous school year by the sum of 1.0 plus the allowable rate of
18 increase under s. 73.0305 expressed as a decimal.

19 3. Add the result under subd. 1. to the result under subd. 2.

20 4. Multiply the result under subd. 3. by the average of the number of pupils
21 enrolled in the current and the 2 preceding school years.”.

22 **14.** Page 1025, line 1: delete “(i)” and substitute “(k)”.

23 **15.** Page 1025, line 5: delete lines 5 to 14 and substitute:

24 **“SECTION 1893sLm.** 121.91 (2m) (r) 1. b. of the statutes is amended to read:

1 121.91 (2m) (r) 1. b. Add an amount equal to the amount of revenue increase
2 per pupil allowed under this subsection for the previous school year multiplied by the
3 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
4 to the result under subd. 1. a., except that ~~in calculating the limit for the 2011–12~~
5 ~~school year, multiply the result under subd. 1. a. by 0.945, in calculating the limit for~~
6 ~~the 2012–13 school year, add \$50 to the result under subd. 1. a., and in calculating~~
7 ~~the limit for the 2013–14 school year and any school year thereafter, make no~~
8 ~~adjustment, add \$275 to the result under subd. 1. a., and in calculating the limit for~~
9 ~~the 2014–15 school year, add \$275 to the result under subd. 1. a.”.~~

10 **16.** Page 1025, line 16: delete “(i)” and substitute “(k)”.

11 **17.** Page 1025, line 21: delete the material beginning with that line and
12 ending on page 1026, line 5 and substitute:

13 “**SECTION 1893spm.** 121.91 (2m) (s) 1. b. of the statutes is amended to read:

14 121.91 (2m) (s) 1. b. Add an amount equal to the amount of revenue increase
15 per pupil allowed under this subsection for the previous school year multiplied by the
16 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
17 to the result under subd. 1. a., except that ~~in calculating the limit for the 2011–12~~
18 ~~school year, multiply the result under subd. 1. a. by 0.945, in calculating the limit for~~
19 ~~the 2012–13 school year, add \$50 to the result under subd. 1. a., and in calculating~~
20 ~~the limit for the 2013–14 school year and any school year thereafter, make no~~
21 ~~adjustment, add \$275 to the result under subd. 1. a., and in calculating the limit for~~
22 ~~the 2014–15 school year, add \$275 to the result under subd. 1. a.”.~~

23 **18.** Page 1026, line 13: delete “(i)” and substitute “(i) (k)”.

24 **19.** Page 1320, line 8: after that line insert:

“(7q) **SECONDARY GUARANTEE.** Notwithstanding section 121.07 (7) (b) of the statutes, for the purpose of setting the secondary guaranteed valuation per member in the 2014–15 school year, the department of public instruction shall treat the appropriation under section 20.255 (2) (ac) of the statutes as if an additional \$897,400,000 were appropriated in the 2014–15 fiscal year.”.

20. Page 1373, line 7: after that line insert:

“(7q) STATE AID. The treatment of sections 20.255 (2) (ac), 121.004 (7) (a) and (g), 121.07 (6) (d), 121.08 (4) (b) and (br), and 121.105 (2) (am) 1. and 2. (intro.) and (4), of the statutes first applies to the distribution of school aid in, and the calculation of revenue limits for, the 2014–15 school year.

(7r) **DELAYED PAYMENT.** The treatment of section 121.15 (1m) (a) (intro.) and 3. of the statutes first applies to the payment made under section 121.15 (1m) (a) of the statutes on the 4th Monday in July 2015.”.

(END)

TC w/ Tom 7/24/13
focus on 14-15 only

work from ^{to} 215 re: am't 14-15 & then CP/

Δ hold harmless am't to -

2/3 funding phase-in = start in 14-15

Tom will talk to Brian Pakke @ DP
& Russ Kara @ LFB

+ get back to me w/ changes

Grant, Peter

From: McCarthy, Tom
Sent: Thursday, August 08, 2013 9:26 AM
To: Grant, Peter; Stafford, Beau
Subject: levy and aid amount

Peter,

Per our discussion, we would like to set the per pupil levy adjustment at \$275 per pupil, remove the categorical/levy adjustment mechanism currently in law, and add a total of \$275 million in additional general aid. If I'm reading the LFB memo correctly, this would account for an additional roughly \$150 million over what the governor and legislator finalized for year two of the biennium. Also, we would like to delay the increase in voucher payment amounts until the 15-16 school year instead of the 14-15 year. Let me know if you have any questions and thanks,

^{p477}
-tom



State of Wisconsin
2013 - 2014 LEGISLATURE

FRIDAY
8/16



LRB-1425/P1
PG&JK:sac:rs

LRB-2673/P1
PG&JK: Sac:

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

m 8-9-13

regen

1 **AN ACT to consolidate, renumber and amend** 121.15 (1m) (a) (intro.) and 3.;
2 **to amend** 20.255 (2) (ac), 79.10 (4), 79.10 (5m), 79.14, 79.15, 121.004 (7) (a),
3 121.07 (6) (d), 121.08 (4) (br), 121.105 (2) (am) 1., 121.105 (2) (am) 2. (intro.),
4 121.137 (2), 121.90 (2) (am) 1., 121.905 (1), 121.905 (3) (c) 5., 121.91 (2m) (i)
5 (intro.), 121.91 (2m) (i) 2., 121.91 (2m) (r) 1. (intro.), 121.91 (2m) (r) 1. b., 121.91
6 (2m) (s) 1. (intro.) and 121.91 (2m) (s) 1. b.; **to repeal and recreate** 121.08 (4)
7 (b); and **to create** 20.255 (2) (bf), 121.004 (7) (g), 121.10, 121.105 (4), 121.136
8 (3), 121.15 (3m), 121.905 (3) (c) 6. and 7., 121.91 (2m) (i) 1m., 121.91 (2m) (j) and
9 121.91 (2m) (k) of the statutes; **relating to:** counting low-income pupils for
10 state school aid purposes; calculating the amount to be appropriated for state
11 general school aid; school aid factors; special adjustment aids; hold harmless

aid; school district revenue limits; the first dollar and school levy property tax credits; and making an appropriation.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

2011-12

2012-13

20.255 Public instruction, department of

(2) AID FOR LOCAL EDUCATIONAL PROGRAMMING

(bf) Hold harmless aid GPR A -0- 23,100,000

SECTION 2. 20.255 (2) (ac) of the statutes is amended to read:

20.255 (2) (ac) *General equalization aids.* ~~The amounts in the schedule A sum sufficient for the payment of educational aids under ss. 121.08, 121.09, 121.095, 121.105, 121.137 and subch. VI of ch. 121 equal to the amount determined by the joint committee on finance under s. 121.15 (3m) (c) in the (2015-16) fiscal year and biennially thereafter, and equal to the amount determined by law in the 2015-16 fiscal year and biennially thereafter.~~

SECTION 3. 20.255 (2) (bf) of the statutes is created to read:

20.255 (2) (bf) *Hold harmless aid.* A sum sufficient for hold harmless aid to school districts under s. 121.10.

SECTION 4. 79.10 (4) of the statutes is amended to read:

79.10 (4) SCHOOL LEVY TAX CREDIT. Except as provided in sub. (5m), the amounts appropriated under s. 20.835 (3) (b) and (qb) shall be distributed to municipalities in proportion to their share of the sum of average school tax levies for all municipalities. No municipality shall receive a payment under this subsection after 2014.

SECTION 5. 79.10 (5m) of the statutes is amended to read:

79.10 (5m) FIRST DOLLAR CREDIT. Each municipality shall receive, from the appropriation under s. 20.835 (3) (b), an amount determined by multiplying the school tax rate by the estimated fair market value, not exceeding the value determined under sub. (11) (d), of every parcel of real property with improvements that is located in the municipality. No municipality shall receive a payment under this subsection after 2014. 2015

SECTION 6. 79.14 of the statutes is amended to read:

79.14 School levy tax credit. The appropriation under s. 20.835 (3) (b), for the payments under s. 79.10 (4), is \$319,305,000 in 1994, 1995, and 1996; \$469,305,000 beginning in 1997 and ending in 2006; \$593,050,000 in 2007; \$672,400,000 in 2008; \$747,400,000 in 2009; and \$732,550,000 in 2010 and in each year thereafter, 2011, 2012, 2013, and 2014.

SECTION 7. 79.15 of the statutes is amended to read:

79.15 Improvements credit. The total amount paid each year to municipalities from the appropriation account under s. 20.835 (3) (b) for the payments under s. 79.10 (5m) is \$75,000,000 in 2009, \$145,000,000 in 2010, and \$150,000,000 in 2011, 2012, 2013, and in each year thereafter 2014. 2015

SECTION 8. 121.004 (7) (a) of the statutes is amended to read:

121.004 (7) (a) "Pupils enrolled" is the total number of pupils, as expressed by official enrollments, in all schools of the school district, except as provided in pars. (b) to ~~(f)~~ (g). If such total contains a fraction, it shall be expressed as the nearest whole number. The same method shall be used in computing the number of pupils enrolled for resident pupils, nonresident pupils or both.

SECTION 9. 121.004 (7) (g) of the statutes is created to read:

121.004 (7) (g) A pupil who is eligible for a free or reduced-price lunch under 42 USC 1758 (b) shall be counted as the number specified in this subsection for the pupil plus an additional 30 percent of that number.

SECTION 10. 121.07 (6) (d) of the statutes is amended to read:

121.07 (6) (d) The “secondary ceiling cost per member” in the ~~2001–02~~ 2014–15 school year and in each school year thereafter is an amount determined by dividing the state total shared cost in the previous school year by the state total membership in the previous school year and multiplying the result by 0.90.

SECTION 11. 121.08 (4) (b) of the statutes is repealed and recreated to read:

~~121.08 (4) (b) The amount of state aid that the school district operating under ch. 119 is eligible to be paid from the appropriation under s. 20.255 (2) (ac) shall also be reduced by the amount determined by multiplying the sum of the amounts paid under s. 119.23 (4) and (4m) in the current school year by 30 percent.~~

SECTION 12. 121.08 (4) (br) of the statutes is amended to read:

~~121.08 (4) (br) The amount of state aid that an eligible school district is eligible to be paid from the appropriation under s. 20.255 (2) (ac) shall also be reduced by the amount calculated by multiplying the amounts paid under s. 118.60 (4) and (4m) in the first school year that begins after a school district is identified as an eligible~~

school district under s. 118.60 (1m) or 2011 Wisconsin Act 32, section 9137 (3u), and in each school year thereafter by 38.4 30 percent.

SECTION 13. 121.10 of the statutes is created to read:

121.10 Hold harmless aid. (1) In this section, "state aid" means the sum of the following:

(a) The payments made to a school district under ss. 121.08 and 121.105 and subch. VI.

(b) The payments that would be made to a school district under s. 121.136 if s. 121.136 were still applicable.

(c) The amount that would be received by a school district under s. 79.10 (4) and (5m) if s. 79.10 (4) and (5m) ^{were} still applicable.

(2) (a) Except as provided in par. (b), beginning in the 2014-15 school year, if a school district would receive less in equalization aid under s. 121.08 in the current school year before any adjustment is made under s. 121.15 (4) (b) than it would have received in state aid in the current school year, the department shall pay to the school district the amount equal to the difference.

(b) If a school district from which territory was detached to create a new school district under s. 117.105 would receive in equalization aid under s. 121.08 in the school year beginning on the first July 1 following the effective date of the reorganization less than the amount determined as follows, the department shall pay to the school district the difference between the former amount and the amount determined as follows:

1. Divide the school district's membership in the preceding school year by the school district's membership in the 2nd preceding school year.

2. Multiply the amount of state aid that would have been received by the school district in the preceding school year, as adjusted under s. 121.15 (4) (b) in the current school year, by the quotient under subd. 1.

(3) In the school year in which a school district consolidation takes effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, if the consolidated school district's equalization aid is less than the aggregate state aid to which the consolidating school districts would have been eligible in the school year prior to the school year in which the consolidation takes effect, the department shall pay the difference to the consolidated school district.

(4) Additional aid under this section shall be paid from the appropriation under s. 20.255 (2) (bf). *No aid may be paid under this section after the 2014-15 school year.*

x
SECTION 14. 121.105 (2) (am) 1. of the statutes is amended to read:

121.105 (2) (am) 1. Except as provided in subd. 2., if a school district would receive less in state aid in the current school year before any adjustment is made under s. 121.15 (4) (b) than an amount equal to 85% 90 percent of the amount of state aid that it received in the previous school year, as adjusted under s. 121.15 (4) (b) in the current school year, its state aid for the current school year shall be increased to an amount equal to 85% 90 percent of the state aid received in the previous school year.

x
SECTION 15. 121.105 (2) (am) 2. (intro.) of the statutes is amended to read:

121.105 (2) (am) 2. (intro.) If a school district from which territory was detached to create a new school district under s. 117.105 would receive in state aid in the school year beginning on the first July 1 following the effective date of the reorganization less than 85 90 percent of the amount determined as follows, its state aid in the school year beginning on the first July 1 following the effective date of the reorganization

shall be increased to an amount equal to ~~85~~ 90 percent of the amount determined as follows:

SECTION 16. 121.105 (4) of the statutes is created to read:

121.105 (4) A school district's state aid in any school year may not be less than an amount equal to \$3,000 multiplied by the school district's membership.

SECTION 17. 121.136 (3) of the statutes is created to read:

121.136 (3) No aid may be paid under this section after June 30, ~~2013~~ ²⁰¹⁴.

SECTION 18. 121.137 (2) of the statutes is amended to read:

~~121.137 (2) Annually, the department shall calculate the amount of the state aid reduction under s. 121.08 (4) (b) 2. in the current school year and shall notify the board, in writing, of the result.~~

SECTION 19. 121.15 (1m) (a) (intro.) and 3. of the statutes are consolidated, renumbered 121.15 (1m) (a) and amended to read:

121.15 (1m) (a) Notwithstanding subs. (1) and (1g), ~~a portion of state aid to school districts shall be distributed as follows: Beginning beginning~~ in the ~~1999-2000~~ ²⁰¹⁵⁻¹⁶ ~~2014-15~~ school year, annually the state shall pay to school districts, from the appropriation under s. 20.255 (2) (ac), ~~\$75,000,000~~ \$972,400,000 on the 4th Monday in July of the following school year.

SECTION 20. 121.15 (3m) of the statutes is created to read:

121.15 (3m) (a) In this subsection:

1. "Partial school revenues" means the sum of state school aids, property taxes levied for school districts, and aid paid to school districts under s. 79.095 (4), less all of the following:

1 a. The amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a
2 school board's increasing the services that it provides by adding responsibility for
3 providing a service transferred to it from another school board.

4 b. The amount of any revenue limit increase under s. 121.91 (4) (a) 3.

5 c. The amount of any revenue limit increase under s. 121.91 (4) (h).

6 d. The amount of any property taxes levied for the purpose of s. 120.13 (19).

7 e. An amount equal to ~~80 percent~~ ^{the percentages specified in s. 121.08 (4) applies.} of the amount estimated to be paid under ~~ss.~~
8 ~~118.60 (4) and (4m) and 119.23 (4) and (4m)~~ ^{5.} multiplied by the sum of the percentage
specified in s. 121.08 (4) (b) 1. and 2.

~~***NOTE: I added a cross-reference to s. 118.60 (4) and (4m) under which payments
are made for the new parent choice program for eligible school districts. Okay?~~

~~***NOTE: Is the 38.4 percent value still appropriate?~~

9 f. The amount by which the property tax levy for debt service on debt that has
10 been approved by a referendum exceeds \$490,000,000.

11 2. "State school aids" means those aids appropriated under s. 20.255 (1) (b) and
12 (2), other than s. 20.255 (2) (fm), (fr), (fu), (fv), (k), and (m), and under s. 20.285 (1)
13 (r), and (rc), and those aids appropriated under s. 20.505 (4) (es) and (s) that are used
14 to provide grants or educational telecommunications access to school districts under
15 s. 16.995 or 16.997 (7).

16 (b) By May 15, 2014, and annually by May 15 thereafter, the department, the
17 department of administration, and the legislative fiscal bureau shall jointly certify
18 to the joint committee on finance an estimate of the amount necessary to appropriate
19 under s. 20.255 (2) (ac) in the following school year to ensure that state school aids
20 equal the following portion of partial school revenues:

21 1. For the 2014-15 school year, 63 percent.

22 2. For the 2015-16 school year, 64.2 percent.

23 3. For the 2016-17 school year, 65.4 percent.

\$9,300 in the 2014-15
school year,

4. For the 2017-18 school year and each school year thereafter, two-thirds.

(c) By June 30, 2014, and biennially by June 30 thereafter, the joint committee on finance shall determine the amount appropriated under s. 20.255 (2) (ac) in the following school year.

SECTION 21. 121.90 (2) (am) 1. of the statutes is amended to read:

121.90 (2) (am) 1. Aid under ss. 121.08, 121.09, 121.10, 121.105, and 121.136 and subch. VI, as calculated for the current school year on October 15 under s. 121.15 (4) and including adjustments made under s. 121.15 (4).

SECTION 22. 121.905 (1) of the statutes is amended to read:

121.905 (1) In this section, "revenue ceiling" means ~~\$9,000 in the 2011-12 school year and in the 2012-13 school year and \$9,100~~ ^{plain} \$9,300 in the 2013-14 school year, and \$9,600 in any subsequent school year.

SECTION 23. 121.905 (3) (c) 5. of the statutes is amended to read:

121.905 (3) (c) 5. For the limit for the 2013-14 school year and ~~any~~ school year thereafter, make no adjustment, add \$225 to the result under par. (b).

SECTION 24. 121.905 (3) (c) 6. and 7. of the statutes are created to read:

121.905 (3) (c) 6. For the limit for the 2014-15 school year, add \$230 to the result under par. (b).

121.905 (3) (c) 7.

For the limit for the 2015-16 school year and any school year thereafter, add the result under s. 121.91 (2m) ^(j) ~~(k)~~ 2. to the result under par. (b).

SECTION 25. 121.91 (2m) (i) (intro.) of the statutes is amended to read:

121.91 (2m) (i) (intro.) Except as provided in subs. (3), (4), and (8), no school district may increase its revenues for the ~~2013-14~~ ²⁰¹⁵⁻¹⁶ ~~2014-15~~ school year ~~or for any school year thereafter~~ to an amount that exceeds the amount calculated as follows:

SECTION 26. 121.91 (2m) (i) 1m. of the statutes is created to read:

275
3215
1 121.91 (2m) (i) 1m. Add \$225 to the result under subd. 1.

2 SECTION 27. 121.91 (2m) (i) 2. of the statutes is amended to read:

3 121.91 (2m) (i) 2. Multiply the result under subd. 1. 1m. by the average of the
4 number of pupils enrolled in the current and the 2 preceding school years.

5 SECTION 28. 121.91 (2m) (j) of the statutes is created to read:

6 ~~121.91 (2m) (j) Except as provided in subs. (3), (4), and (8), no school district~~
7 ~~may increase its revenues for the 2014-15 school year to an amount that exceeds the~~
8 ~~amount calculated as follows:~~

9 1. Divide the sum of the amount of state aid received in the previous school year
10 and property taxes levied for the previous school year, excluding property taxes
11 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
12 (c), by the average of the number of pupils enrolled in the 3 previous school years.

13 2. Add \$230 to the result under subd. 1.

14 3. Multiply the result under subd. 2. by the average of the number of pupils
15 enrolled in the current and the 2 preceding school years.

16 SECTION 29. 121.91 (2m) (k) of the statutes is created to read:

17 121.91 (2m) (j) Except as provided in subs. (3), (4), and (8), no school district
18 may increase its revenues for the 2015-16 school year or for any school years
19 thereafter to an amount that exceeds the amount calculated as follows:

20 1. Divide the sum of the amount of state aid received in the previous school year
21 and property taxes levied for the previous school year, excluding property taxes
22 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
23 (c), by the average of the number of pupils enrolled in the 3 previous school years.

2. Multiply the amount of the revenue increase per pupil allowed under this subsection for the previous school year by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal.

3. Add the result under subd. 1. to the result under subd. 2.

4. Multiply the result under subd. 3. by the average of the number of pupils enrolled in the current and the 2 preceding school years.

SECTION 30. 121.91 (2m) (r) 1. (intro.) of the statutes is amended to read:

121.91 (2m) (r) 1. (intro.) Notwithstanding pars. (c) to (h) (k), if a school district is created under s. 117.105, its revenue limit under this section for the school year beginning with the effective date of the reorganization shall be determined as follows except as provided under subs. (3) and (4):

SECTION 31. 121.91 (2m) (r) 1. b. of the statutes is amended to read:

~~121.91 (2m) (r) 1. b. Add an amount equal to the amount of revenue increase per pupil allowed under this subsection for the previous school year multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal to the result under subd. 1. a., except that in calculating the limit for the 2011-12 school year, multiply the result under subd. 1. a. by 0.945; in calculating the limit for the 2012-13 school year, add \$50 to the result under subd. 1. a., and in calculating the limit for the 2013-14 school year and any school year thereafter, make no adjustment, add \$225 to the result under subd. 1. a., and in calculating the limit for the 2014-15 school year, add \$230 to the result under subd. 1. a.~~

SECTION 32. 121.91 (2m) (s) 1. (intro.) of the statutes is amended to read:

121.91 (2m) (s) 1. (intro.) Notwithstanding pars. (e) to (h) (k), if territory is detached from a school district to create a new school district under s. 117.105, the revenue limit under this section of the school district from which territory is detached

1 for the school year beginning with the effective date of the reorganization shall be
2 determined as follows except as provided in subs. (3) and (4):

3 **SECTION 33.** 121.91 (2m) (s) 1. b. of the statutes is amended to read:

✓
as affected by 2013 Wisconsin
Act 20, is

4 ~~121.91 (2m) (s) 1. b. Add an amount equal to the amount of revenue increase~~
5 ~~per pupil allowed under this subsection for the previous school year multiplied by the~~
6 ~~sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal~~
7 ~~to the result under subd. 1. a., except that in calculating the limit for the 2011-12~~
8 ~~school year, multiply the result under subd. 1. a. by 0.945, in calculating the limit for~~
9 ~~the 2012-13 school year, add \$50 to the result under subd. 1. a., and in calculating~~
10 ~~the limit for the 2013-14 school year and any school year thereafter, make no~~
11 ~~adjustment, add \$225 to the result under subd. 1. a., and in calculating the limit for~~
12 ~~the 2014-15 school year, add \$230 to the result under subd. 1. a.~~

13 **SECTION 34. Nonstatutory provisions.**

14 (1) SECONDARY GUARANTEE. Notwithstanding section 121.07 (7) (b) of the
15 statutes, for the purpose of setting the secondary guaranteed valuation per member
16 in the 2014-15 school year, the department of public instruction shall treat the
17 appropriation under section 20.255 (2) (ac) of the statutes as if an additional
18 \$897,400,000 were appropriated in the 2014-15 fiscal year.

19 **SECTION 35. Fiscal changes.**

20 (1) HIGH POVERTY AID. In the schedule under section 20.005 (3) of the statutes
21 for the appropriation to the department of public instruction under section 20.255
22 (2) (bb) of the statutes, as affected by the acts of 2013, the dollar amount is decreased
23 by \$16,830,000 for the second fiscal year of the fiscal biennium in which this
24 subsection takes effect to decrease funding for the purposes for which the
25 appropriation is made.

1 SECTION 36. Initial applicability.

2 (1) STATE AID. The treatment of sections 20.255 (2) (ac), 121.004 (7) (a) and (g),
 3 121.07 (6) (d), ~~121.08 (4) (b) and (c)~~ and 121.105 (2) (am) 1. and 2. (intro.) and (4),
 4 of the statutes first applies to the distribution of school aid in, and the calculation of
 5 revenue limits for, the 2014–15 school year.

6 (2) **DELAYED PAYMENT.** The treatment of section 121.15 (1m) (a) (intro.) and 3.
7 of the statutes first applies to the payment made under section 121.15 (1m) (a) of the
8 statutes on the 4th Monday in July 2015.

9 (END)

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2673/?ins
JK:.....

Insert 3 – 6 JK

x

1 **SECTION 1.** 79.10 (4) of the statutes, as affected by 2013 Wisconsin Act 20, is
2 amended to read:

3 **79.10 (4) SCHOOL LEVY TAX CREDIT.** Except as provided in sub. (5m), the amount
4 appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in
5 proportion to their share of the sum of average school tax levies for all municipalities.
6 No municipality shall receive a payment under this subsection after 2015.

History: 2013 a. 20.

Insert 3 – 19 JK

x

7 **SECTION 2.** 79.14 of the statutes, as affected by 2013 Wisconsin Act 20, is
8 amended to read:

9 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b), for
10 the payments under s. 79.10 (4), is \$319,305,000 in 1994, 1995, and 1996;
11 \$469,305,000 beginning in 1997 and ending in 2006; \$593,050,000 in 2007;
12 \$672,400,000 in 2008; \$747,400,000 in 2009; \$732,550,000 in 2010, 2011, and 2012;
13 and \$747,400,000 in 2013 and in each year thereafter, 2014, and 2015.

History: 2013 a. 20.

9-18

plain comma

121.905 (3) (c) 5. For the limit for the 2013-14 school year ~~and the 2014-15 school year~~, add
\$75 to the result under par. (b).

SECTION # 121.905 (3) (c) 6. of the statutes, as created by 2013 Wisconsin Act 20, is amended
to read:

121.905 (3) (c) 6. For the limit for the ~~2015-16~~ school year ~~or any school year thereafter~~, make
no adjustment to the result under par. (b).

, add \$275

SEC. # CR; 121.905 (3)(c) 7.

9-20

SECTION #. 121.91 (2m) (hm) (intro.) of the statutes, as created by 2013 Wisconsin Act 20, is amended to read:

121.91 **(2m)** (hm) (intro.) Except as provided in subs. (3), (4), and (8), no school district may increase its revenues for the 2013-14 school year ~~or for the 2014-15 school year~~ to an amount that exceeds the amount calculated as follows:

11-21

✓
121.91 (2m) (r) 1. b. Add an amount equal to the amount of revenue increase per pupil allowed under this subsection for the previous school year multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal to the result under subd. 1. a., except that in calculating the limit for the 2013-14 school year ~~and the 2014-15 school year~~, add \$75 to the result under subd. 1. a., and in calculating the limit for the ~~2015-16~~ 2014-15 school year ~~and any school year thereafter, make no adjustment, add \$275 to the result under subd. 1. a.~~

12-12-1

✓
121.91 (2m) (s) 1. b. Add an amount equal to the amount of revenue increase per pupil allowed under this subsection for the previous school year multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal to the result under subd. 1. a., except that in calculating the limit for the 2013-14 school year ~~and the 2014-15 school year~~, add \$75 to the result under subd. 1. a., and in calculating the limit for the ~~2015-16~~ 2014-15 school year ~~and any school year thereafter, make no adjustment, add \$275 to the result under subd. 1. a.~~

12-12-2

SECTION #. 121.91 (2m) (t) 1. (intro.) of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

121.91 (2m) (t) 1. (intro.) If 2 or more school districts are consolidated under s. 117.08 or

X 117.09, except as follows, in the 2013-14 school year ^{plain} and the 2014-15 school year, the consolidated school district's revenue limit shall be determined as provided under par. (hm), in the 2014-15 school year, the consolidated school district's revenue limit shall be determined under par. (i), and in the 2015-16 school year and in each school year thereafter, the consolidated school district's revenue limit shall be determined as provided under par. (i) (j):



State of Wisconsin
2013 - 2014 LEGISLATURE

Monday
a.m.



LRB-2673/1
PG&JK:sac:fm

2013 BILL

regen

1 AN ACT *to consolidate, renumber and amend* 121.15 (1m) (a) (intro.) and 3.;
2 *to amend* 20.255 (2) (ac), 79.10 (4), 79.10 (5m), 79.14, 79.15, 121.004 (7) (a),
3 121.07 (6) (d), 121.105 (2) (am) 1., 121.105 (2) (am) 2. (intro.), 121.90 (2) (am)
4 1., 121.905 (1), 121.905 (3) (c) 5., 121.905 (3) (c) 6., 121.91 (2m) (hm) (intro.),
5 121.91 (2m) (i) (intro.), 121.91 (2m) (i) 2., 121.91 (2m) (r) 1. (intro.), 121.91 (2m)
6 (r) 1. b., 121.91 (2m) (s) 1. (intro.), 121.91 (2m) (s) 1. b. and 121.91 (2m) (t) 1.
7 (intro.); and *to create* 20.255 (2) (bf), 121.004 (7) (g), 121.10, 121.105 (4),
8 121.136 (3), 121.15 (3m), 121.905 (3) (c) 7., 121.91 (2m) (i) 1m. and 121.91 (2m)
9 (j) of the statutes; **relating to:** counting low-income pupils for state school aid
10 purposes; calculating the amount to be appropriated for state general school
11 aid; school aid factors; special adjustment aids; hold harmless aid; school

per pupil aid;

BILL

- 1 district revenue limits; the first dollar and school levy property tax credits; and
2 making an appropriation.
-

Analysis by the Legislative Reference Bureau

This bill makes a number of changes in the laws relating to public school financing, including the following:

1. Currently, the amount appropriated each fiscal year for general school aid is a sum set by law. This bill directs the Department of Public Instruction (DPI), the Department of Administration, and the Legislative Fiscal Bureau annually to jointly certify to the Joint Committee on Finance (JCF) an estimate of the amount necessary to appropriate in the following school year to ensure that state school aids equal the following percentage of partial school revenues (in general, the sum of state school aids and school property taxes):

- a. For the 2014-15 school year, 63 percent.
- b. For the 2015-16 school year, 64.2 percent.
- c. For the 2016-17 school year, 65.4 percent.
- d. For the 2017-18 school year and each school year thereafter, two-thirds.

Under the bill, JFC determines the amount appropriated as general school aids in each odd-numbered fiscal year (e.g., the 2014-15 fiscal year) and the amount is set by law in each even-numbered fiscal year.

2. For purposes of determining a school district's general school aid amount, in general this bill requires that each pupil who is eligible for a free or reduced-price lunch under the federal school lunch program be counted as an additional 0.3 pupil.

3. Currently, if a school district would receive less in general state aid in any school year than 85 percent of the amount it received in the previous school year, its state aid for the current school year is increased to 85 percent of the aid received in the previous school year. This bill increases the percentage to 90 percent.

4. This bill provides that a school district's state aid in any school year may not be less than an amount equal to the school district's enrollment multiplied by \$3,000.

5. Currently, the per pupil adjustment is \$75 per pupil in each of the 2013-14 and 2014-15 school years. In the 2015-16 school year and thereafter, there is no per pupil adjustment.

This bill sets the per pupil adjustment at \$275 per pupil for the 2014-15 school year, and thereafter adjusts the previous school year's adjustment by the consumer price index increase.

6. Currently, if at least 50 percent of a school district's enrollment is eligible for a free or reduced-price lunch under the federal school lunch program, the school district is eligible for a prorated share of the amount appropriated as high-poverty aid.

This bill eliminates this aid beginning in the 2014-15 school year. The bill provides additional state aid for the 2014-15 school year to hold school districts harmless from the loss of high-poverty aid.

for calculating
a school
district's
revenue
limit,

(A) →

BILL

8
7. Currently, \$75,000,000 in school aid payments is delayed until the following school year. Beginning in the 2015-16 school year, this bill delays \$972,400,000 in school aid payments until the following school year.

9. In the school district equalization aid formula, the guaranteed evaluations represent the amount of property tax base support that the state guarantees behind each pupil. There are three guaranteed valuations used; each applies to a different level of expenditures. The first level is for expenditures up to the primary cost ceiling of \$1,000 per pupil. The second level is for costs per pupil that exceed \$1,000 but are less than the secondary cost ceiling, which is set at 90 percent of the prior school year statewide shared cost per pupil. This bill changes the secondary cost ceiling to 100 percent of the prior school year statewide shared cost per pupil.

10. The bill eliminates the school levy property tax credit and the first dollar property tax credit.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 20.255 (2) (ac) of the statutes is amended to read:

2 20.255 (2) (ac) *General equalization aids.* The amounts in the schedule A sum
3 sufficient for the payment of educational aids under ss. 121.08, 121.09, 121.095,
4 121.105, ~~121.137~~ and subch. VI of ch. 121 equal to the amount determined by the joint
5 committee on finance under s. 121.15 (3m) (c) in the 2014-15 fiscal year and
6 biennially thereafter, and equal to the amount determined by law in the 2015-16
7 fiscal year and biennially thereafter.

8 SECTION 2. 20.255 (2) (bf) of the statutes is created to read:

9 20.255 (2) (bf) *Hold harmless aid.* A sum sufficient for hold harmless aid to
10 school districts under s. 121.10.

11 SECTION 3. 79.10 (4) of the statutes, as affected by 2013 Wisconsin Act 20, is
12 amended to read:

13 79.10 (4) SCHOOL LEVY TAX CREDIT. Except as provided in sub. (5m), the amount
14 appropriated under s. 20.835 (3) (b) shall be distributed to municipalities in

BILL**SECTION 3**

1 proportion to their share of the sum of average school tax levies for all municipalities.

2 No municipality shall receive a payment under this subsection after 2015.

3 **SECTION 4.** 79.10 (5m) of the statutes is amended to read:

4 **79.10 (5m) FIRST DOLLAR CREDIT.** Each municipality shall receive, from the
5 appropriation under s. 20.835 (3) (b), an amount determined by multiplying the
6 school tax rate by the estimated fair market value, not exceeding the value
7 determined under sub. (11) (d), of every parcel of real property with improvements
8 that is located in the municipality. No municipality shall receive a payment under
9 this subsection after 2015.

10 **SECTION 5.** 79.14 of the statutes, as affected by 2013 Wisconsin Act 20, is
11 amended to read:

12 **79.14 School levy tax credit.** The appropriation under s. 20.835 (3) (b), for
13 the payments under s. 79.10 (4), is \$319,305,000 in 1994, 1995, and 1996;
14 \$469,305,000 beginning in 1997 and ending in 2006; \$593,050,000 in 2007;
15 \$672,400,000 in 2008; \$747,400,000 in 2009; \$732,550,000 in 2010, 2011, and 2012;
16 and \$747,400,000 in 2013 ~~and in each year thereafter, 2014, and 2015.~~

17 **SECTION 6.** 79.15 of the statutes is amended to read:

18 **79.15 Improvements credit.** The total amount paid each year to
19 municipalities from the appropriation account under s. 20.835 (3) (b) for the
20 payments under s. 79.10 (5m) is \$75,000,000 in 2009, \$145,000,000 in 2010, and
21 \$150,000,000 in 2011, 2012, 2013, 2014, and in each year thereafter 2015.

22 **SECTION 7.** 121.004 (7) (a) of the statutes is amended to read:

23 121.004 (7) (a) "Pupils enrolled" is the total number of pupils, as expressed by
24 official enrollments, in all schools of the school district, except as provided in pars.
25 (b) to ~~(f)~~ (g). If such total contains a fraction, it shall be expressed as the nearest whole

4-21 →

BILL

1 number. The same method shall be used in computing the number of pupils enrolled
2 for resident pupils, nonresident pupils or both.

3 **SECTION 8.** 121.004 (7) (g) of the statutes is created to read:

4 121.004 (7) (g) A pupil who is eligible for a free or reduced-price lunch under
5 42 USC 1758 (b) shall be counted as the number specified in this subsection for the
6 pupil plus an additional 30 percent of that number.

7 **SECTION 9.** 121.07 (6) (d) of the statutes is amended to read:

8 121.07 (6) (d) The "secondary ceiling cost per member" in the ~~2001-02~~ 2014-15
9 school year and in each school year thereafter is an amount determined by dividing
10 the state total shared cost in the previous school year by the state total membership
11 in the previous school year ~~and multiplying the result by 0.90.~~

12 **SECTION 10.** 121.10 of the statutes is created to read:

13 **121.10 Hold harmless aid.** (1) In this section, "state aid" means the sum of
14 the following:

15 (a) The payments made to a school district under ss. 121.08 and 121.105 and
16 subch. VI.

17 (b) The payments that would be made to a school district under s. 121.136 if s.
18 121.136 were still applicable.

19 (c) The amount that would be received by a school district under s. 79.10 (4) and
20 (5m) if s. 79.10 (4) and (5m) were still applicable.

21 (2) (a) Except as provided in par. (b), in the 2014-15 school year, if a school
22 district would receive less in equalization aid under s. 121.08 in the current school
23 year before any adjustment is made under s. 121.15 (4) (b) than it would have
24 received in state aid in the current school year, the department shall pay to the school
25 district the amount equal to the difference.

BILL**SECTION 10**

1 (b) If a school district from which territory was detached to create a new school
2 district under s. 117.105 would receive in equalization aid under s. 121.08 in the
3 school year beginning on the first July 1 following the effective date of the
4 reorganization less than the amount determined as follows, the department shall
5 pay to the school district the difference between the former amount and the amount
6 determined as follows:

7 1. Divide the school district's membership in the preceding school year by the
8 school district's membership in the 2nd preceding school year.

9 2. Multiply the amount of state aid that would have been received by the school
10 district in the preceding school year, as adjusted under s. 121.15 (4) (b) in the current
11 school year, by the quotient under subd. 1.

12 (3) In the school year in which a school district consolidation takes effect under
13 s. 117.08 or 117.09 and in each of the subsequent 4 school years, if the consolidated
14 school district's equalization aid is less than the aggregate state aid to which the
15 consolidating school districts would have been eligible in the school year prior to the
16 school year in which the consolidation takes effect, the department shall pay the
17 difference to the consolidated school district.

18 (4) Additional aid under this section shall be paid from the appropriation under
19 s. 20.255 (2) (bf). No aid may be paid under this section after the 2014-15 school year.

20 **SECTION 11.** 121.105 (2) (am) 1. of the statutes is amended to read:

21 121.105 (2) (am) 1. Except as provided in subd. 2., if a school district would
22 receive less in state aid in the current school year before any adjustment is made
23 under s. 121.15 (4) (b) than an amount equal to ~~85%~~ 90 percent of the amount of state
24 aid that it received in the previous school year, as adjusted under s. 121.15 (4) (b) in
25 the current school year, its state aid for the current school year shall be increased to

BILL

1 an amount equal to ~~85%~~ 90 percent of the state aid received in the previous school
2 year.

3 **SECTION 12.** 121.105 (2) (am) 2. (intro.) of the statutes is amended to read:

4 121.105 (2) (am) 2. (intro.) If a school district from which territory was detached
5 to create a new school district under s. 117.105 would receive in state aid in the school
6 year beginning on the first July 1 following the effective date of the reorganization
7 less than ~~85~~ 90 percent of the amount determined as follows, its state aid in the school
8 year beginning on the first July 1 following the effective date of the reorganization
9 shall be increased to an amount equal to ~~85~~ 90 percent of the amount determined as
10 follows:

11 **SECTION 13.** 121.105 (4) of the statutes is created to read:

12 121.105 (4) A school district's state aid in any school year may not be less than
13 an amount equal to \$3,000 multiplied by the school district's membership.

14 **SECTION 14.** 121.136 (3) of the statutes is created to read:

15 121.136 (3) No aid may be paid under this section after June 30, 2014.

16 **SECTION 15.** 121.15 (1m) (a) (intro.) and 3. of the statutes are consolidated,
17 renumbered 121.15 (1m) (a) and amended to read:

18 121.15 (1m) (a) Notwithstanding subs. (1) and (1g), ~~a portion of state aid to~~
19 ~~school districts shall be distributed as follows: Beginning~~ beginning in the
20 ~~1999-2000~~ 2015-16 school year, ~~annually~~ the state shall pay to school districts, from
21 the appropriation under s. 20.255 (2) (ac), ~~\$75,000,000~~ \$972,400,000 on the 4th
22 Monday in July of the following school year.

23 **SECTION 16.** 121.15 (3m) of the statutes is created to read:

24 121.15 (3m) (a) In this subsection:

BILL**SECTION 16**

1 1. "Partial school revenues" means the sum of state school aids, property taxes
2 levied for school districts, and aid paid to school districts under s. 79.095 (4), less all
3 of the following:

4 a. The amount of any revenue limit increase under s. 121.91 (4) (a) 2. due to a
5 school board's increasing the services that it provides by adding responsibility for
6 providing a service transferred to it from another school board.

7 b. The amount of any revenue limit increase under s. 121.91 (4) (a) 3.

8 c. The amount of any revenue limit increase under s. 121.91 (4) (h).

9 d. The amount of any property taxes levied for the purpose of s. 120.13 (19).

10 e. An amount equal to the amount estimated to be paid under s. 119.23 (4) and
11 (4m) multiplied by the sum of the applicable percentages specified in s. 121.08 (4) (b)
12 1. and 2.

13 f. The amount by which the property tax levy for debt service on debt that has
14 been approved by a referendum exceeds \$490,000,000.

15 2. "State school aids" means those aids appropriated under s. 20.255 (1) (b) and
16 (2), other than s. 20.255 (2) (fm), (fr), (fu), (fv), (k), and (m), and under s. 20.285 (1)
17 (r), and (rc), and those aids appropriated under s. 20.505 (4) (es) and (s) that are used
18 to provide grants or educational telecommunications access to school districts under
19 s. 16.995 or 16.997 (7).

20 (b) By May 15, 2014, and annually by May 15 thereafter, the department, the
21 department of administration, and the legislative fiscal bureau shall jointly certify
22 to the joint committee on finance an estimate of the amount necessary to appropriate
23 under s. 20.255 (2) (ac) in the following school year to ensure that state school aids
24 equal the following portion of partial school revenues:

25 1. For the 2014-15 school year, 63 percent.

BILL

1 2. For the 2015–16 school year, 64.2 percent.

2 3. For the 2016–17 school year, 65.4 percent.

3 4. For the 2017–18 school year and each school year thereafter, two-thirds.

4 (c) By June 30, 2014, and biennially by June 30 thereafter, the joint committee
5 on finance shall determine the amount appropriated under s. 20.255 (2) (ac) in the
6 following school year.

7 **SECTION 17.** 121.90 (2) (am) 1. of the statutes is amended to read:

8 121.90 (2) (am) 1. Aid under ss. 121.08, 121.09, 121.10, 121.105, and 121.136
9 and subch. VI, as calculated for the current school year on October 15 under s. 121.15
10 (4) and including adjustments made under s. 121.15 (4).

11 **SECTION 18.** 121.905 (1) of the statutes is amended to read:

12 121.905 (1) In this section, “revenue ceiling” means ~~\$9,000 in the 2011–12~~
13 ~~school year and in the 2012–13 school year and~~ \$9,100 in the 2013–14 school year,
14 \$9,300 in the 2014–15 school year, and \$9,600 in any subsequent school year.

15 **SECTION 19.** 121.905 (3) (c) 5. of the statutes, as affected by 2013 Wisconsin Act
16 20, is amended to read:

17 121.905 (3) (c) 5. For the limit for the 2013–14 school year ~~and the 2014–15~~
18 ~~school year~~, add \$75 to the result under par. (b).

19 **SECTION 20.** 121.905 (3) (c) 6. of the statutes, as created by 2013 Wisconsin Act
20 20, is amended to read:

21 121.905 (3) (c) 6. For the limit for the ~~2015–16~~ 2014–15 school year ~~or any~~
22 ~~school year thereafter, make no adjustment,~~ add \$275 to the result under par. (b).

23 **SECTION 21.** 121.905 (3) (c) 7. of the statutes is created to read:

24 121.905 (3) (c) 7. For the limit for the 2015–16 school year and any school year
25 thereafter, add the result under s. 121.91 (2m) (j) 2. to the result under par. (b).

BILL**SECTION 22**

1 **SECTION 22.** 121.91 (2m) (hm) (intro.) of the statutes, as created by 2013
2 Wisconsin Act 20, is amended to read:

3 121.91 **(2m)** (hm) (intro.) Except as provided in subs. (3), (4), and (8), no school
4 district may increase its revenues for the 2013–14 school year ~~or for the 2014–15~~
5 ~~school year~~ to an amount that exceeds the amount calculated as follows:

6 **SECTION 23.** 121.91 (2m) (i) (intro.) of the statutes, as affected by 2013
7 Wisconsin Act 20, is amended to read:

8 121.91 **(2m)** (i) (intro.) Except as provided in subs. (3), (4), and (8), no school
9 district may increase its revenues for the ~~2015–16~~ 2014–15 school year ~~or for any~~
10 ~~school year thereafter~~ to an amount that exceeds the amount calculated as follows:

11 **SECTION 24.** 121.91 (2m) (i) 1m. of the statutes is created to read:

12 121.91 **(2m)** (i) 1m. Add \$275 to the result under subd. 1.

13 **SECTION 25.** 121.91 (2m) (i) 2. of the statutes is amended to read:

14 121.91 **(2m)** (i) 2. Multiply the result under subd. ~~1.~~ 1m. by the average of the
15 number of pupils enrolled in the current and the 2 preceding school years.

16 **SECTION 26.** 121.91 (2m) (j) of the statutes is created to read:

17 121.91 **(2m)** (j) Except as provided in subs. (3), (4), and (8), no school district
18 may increase its revenues for the 2015–16 school year or for any school year
19 thereafter to an amount that exceeds the amount calculated as follows:

20 1. Divide the sum of the amount of state aid received in the previous school year
21 and property taxes levied for the previous school year, excluding property taxes
22 levied for the purpose of s. 120.13 (19) and excluding funds described under sub. (4)
23 (c), by the average of the number of pupils enrolled in the 3 previous school years.

BILL

2. Multiply the amount of the revenue increase per pupil allowed under this subsection for the previous school year by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal.

3. Add the result under subd. 1. to the result under subd. 2.

4. Multiply the result under subd. 3. by the average of the number of pupils enrolled in the current and the 2 preceding school years.

SECTION 27. 121.91 (2m) (r) 1. (intro.) of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

121.91 **(2m)** (r) 1. (intro.) Notwithstanding pars. (c) to ~~(i)~~ (j), if a school district is created under s. 117.105, its revenue limit under this section for the school year beginning with the effective date of the reorganization shall be determined as follows except as provided under subs. (3) and (4):

SECTION 28. 121.91 (2m) (r) 1. b. of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

121.91 **(2m)** (r) 1. b. Add an amount equal to the amount of revenue increase per pupil allowed under this subsection for the previous school year multiplied by the sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal to the result under subd. 1. a., except that in calculating the limit for the 2013–14 school year ~~and the 2014–15 school year~~, add \$75 to the result under subd. 1. a., and in calculating the limit for the 2015–16 2014–15 school year ~~and any school year thereafter, make no adjustment, add \$275~~ to the result under subd. 1. a.

SECTION 29. 121.91 (2m) (s) 1. (intro.) of the statutes, as affected by 2013 Wisconsin Act 20, is amended to read:

121.91 **(2m)** (s) 1. (intro.) Notwithstanding pars. (e) to ~~(i)~~ (j), if territory is detached from a school district to create a new school district under s. 117.105, the

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1 revenue limit under this section of the school district from which territory is detached
2 for the school year beginning with the effective date of the reorganization shall be
3 determined as follows except as provided in subs. (3) and (4):

4 **SECTION 30.** 121.91 (2m) (s) 1. b. of the statutes, as affected by 2013 Wisconsin
5 Act 20, is amended to read:

6 121.91 (2m) (s) 1. b. Add an amount equal to the amount of revenue increase
7 per pupil allowed under this subsection for the previous school year multiplied by the
8 sum of 1.0 plus the allowable rate of increase under s. 73.0305 expressed as a decimal
9 to the result under subd. 1. a., except that in calculating the limit for the 2013-14
10 school year ~~and the 2014-15 school year~~, add \$75 to the result under subd. 1. a., and
11 in calculating the limit for the ~~2015-16~~ 2014-15 school year ~~and any school year~~
12 ~~thereafter, make no adjustment, add \$275~~ to the result under subd. 1. a.

13 **SECTION 31.** 121.91 (2m) (t) 1. (intro.) of the statutes, as affected by 2013
14 Wisconsin Act 20, is amended to read:

15 121.91 (2m) (t) 1. (intro.) If 2 or more school districts are consolidated under
16 s. 117.08 or 117.09, except as follows, in the 2013-14 school year ~~and the 2014-15~~
17 ~~school year~~, the consolidated school district's revenue limit shall be determined as
18 provided under par. (hm), in the 2014-15 school year, the consolidated school
19 district's revenue limit shall be determined under par. (i), and in the 2015-16 school
20 year and in each school year thereafter, the consolidated school district's revenue
21 limit shall be determined as provided under par. (i) ~~(j)~~:

22 **SECTION 32. Nonstatutory provisions.**

23 (1) SECONDARY GUARANTEE. Notwithstanding section 121.07 (7) (b) of the
24 statutes, for the purpose of setting the secondary guaranteed valuation per member
25 in the 2014-15 school year, the department of public instruction shall treat the

BILL

1 appropriation under section 20.255 (2) (ac) of the statutes as if an additional
2 \$897,400,000 were appropriated in the 2014–15 fiscal year.

3 **SECTION 33. Fiscal changes.**

4 (1) HIGH POVERTY AID. In the schedule under section 20.005 (3) of the statutes
5 for the appropriation to the department of public instruction under section 20.255
6 (2) (bb) of the statutes, as affected by the acts of 2013, the dollar amount is decreased
7 by \$16,830,000 for the second fiscal year of the fiscal biennium in which this
8 subsection takes effect to decrease funding for the purposes for which the
9 appropriation is made.

10 **SECTION 34. Initial applicability.**

11 (1) STATE AID. The treatment of sections 20.255 (2) (ac), 121.004 (7) (a) and (g),
12 121.07 (6) (d), and 121.105 (2) (am) 1. and 2. (intro.) and (4) of the statutes first
13 applies to the distribution of school aid in, and the calculation of revenue limits for,
14 the 2014–15 school year.

15 (2) DELAYED PAYMENT. The treatment of section 121.15 (1m) (a) (intro.) and 3.
16 of the statutes first applies to the payment made under section 121.15 (1m) (a) of the
17 statutes on the 4th Monday in July 2015.

18

~~END~~



(A)

¶

7. Currently, the state ^{annually} pays each school district an amount equal to its average enrollment in the current and two preceding school years multiplied by \$75 in the 2013-14 school year and \$150 in each school year thereafter. This bill eliminates this per pupil aid after the 2013-14 school year.

3-7

SEC. # RP, 20.255(2)(ag), as
created by 2013 Wisconsin Act 20

4-21

SEC. # RP, 115.437, as created
by 2013 Wisconsin Act 20

2005

Nonstat File Sequence: **FFF**

LRB _____ / _____

_____ : _____ : _____

EFFECTIVE DATE

1. In the component bar: For the action phrase, execute: ... **create** → **action:** → *NS: → **effdate**
For the text, execute: **create** → **text:** → *NS: → **effdateA**
2. Nonstatutory subunits are numbered automatically. Fill in the SECTION # or subsection # only if a "frozen" number is needed.

SECTION # _____ . Effective date.

(#1) () This act takes effect
on

1. In the component bar: For the action phrase, execute: .. **create** → **action:** → *NS: → **effdateE**
For the text, execute: **create** → **text:** → *NS: → **effdate**
2. Nonstatutory subunits are numbered automatically. Fill in the SECTION # or subsection # only if a "frozen" number is needed.

SECTION # _____ . Effective dates;

..... This act takes effect on the day after publication, except as follows:

(#1) () ^(C)PER PUPIL AID The treatment of
sections 20.255(2)(a9) and 115.437
of the statutes takes effect on July 1, 2014

(END)

1. In the component bar: For the budget action phrase, execute:.. **create** → **action:** → *NS: → **94XX**
For the text, execute: **create** → **text:** → *NS: → **effdate**
2. Nonstatutory subunits are numbered automatically. Fill in the SECTION # or subsection # only if a "frozen" number is needed. Below, for the budget, fill in the 9400 department code.

SECTION 94 _____ . Effective dates;

(#1) () The treatment of
sections
of the statutes takes effect on

Barman, Mike

From: McCarthy, Tom
Sent: Thursday, October 31, 2013 2:18 PM
To: LRB.Legal
Subject: Draft Review: LRB -2673/2 Topic: Various school funding changes

Please Jacket LRB -2673/2 for the ASSEMBLY.